

COMMERCIAL TIMBER SALES LIMITED

COMPANY NUMBER 2598288

FINANCIAL STATEMENTS
FOR THE YEAR
TO 31ST MAY 1996

PEET & CO
WEYSIDE
PASSFIELD BRIDGE
PASSFIELD
LIPHOOK
HAMPSHIRE
GU30 7RU



COMMERCIAL TIMBER SALES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 1996

The Directors present their report together with the Financial Statements of the company for the year to the 31st May 1996.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company is the retail sale of timber and associated products, which the director regards as a single class of business.

DIRECTORS

The director who served in office during the period and his beneficial interest in the company's shares were as follows:

	Ordinary shares of £1 each as at	
	<u>31st May</u> <u>1996</u>	<u>31st May</u> <u>1995</u>
Mr J A Kemplen	<u>100</u>	<u>100</u>


COMMERCIAL TIMBER SALES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 1996

Continued

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board and signed on their behalf on the date shown below.

BY ORDER OF THE BOARD


Mr J A Kemplen
Director

Date.....9.8.96.....

REPORTING ACCOUNTANTS REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF
COMMERCIAL TIMBER SALES LIMITED

We report on the Financial Statements for the year ended 31st May 1996 set out on pages 3 to 7.

Respective Responsibilities of directors and reporting accountant

As described on page 1 the company's directors are responsible for the preparation of financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of opinion

- Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the Financial Statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and, on the basis of, the information contained in those accounting records:
 - (1) the Financial Statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act;
 - (11) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

..... *Peet & Co*
Peet & Co
Chartered Accountants
Reporting Accountants

Dated..... *9/8/96*

Weyside
Passfield Bridge
Passfield
Liphook
Hampshire
GU30 7RU

COMMERCIAL TIMBER SALES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		<u>£</u>	<u>£</u>
<u>TURNOVER</u>	1,14	125541	121280
Cost of Sales		<u>(70718)</u>	<u>(70901)</u>
GROSS PROFIT		54823	50379
Administration expenses	2	<u>(42475)</u>	<u>(45481)</u>
OPERATING PROFIT/(LOSS)		12348	4898
Rents Receivable		<u>3421</u>	<u>323</u>
		15769	5221
Interest Receivable		-	-
Interest Payable		<u>(443)</u>	<u>(365)</u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		15326	4856
Tax on ordinary activities	3	<u>(4426)</u>	<u>(1496)</u>
<u>PROFIT/(LOSS) FOR THE YEAR</u>		10900	3360
Retained Profit/(loss) brought forward		<u>3756</u>	<u>396</u>
<u>RETAINED PROFIT/(LOSS) CARRIED FORWARD</u>		<u>14656</u>	<u>3756</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses for 1996 or 1995 other than those included in the profit and loss account.

The notes form an integral part of these Financial Statements.

COMMERCIAL TIMBER SALES LIMITED

BALANCE SHEET
AS AT 31ST MAY 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	4	<u>20228</u>	<u>19681</u>
<u>CURRENT ASSETS</u>			
Stock	5	17241	11410
Debtors	6	220	365
Cash at bank and in hand		<u>884</u>	<u>1165</u>
		<u>18345</u>	<u>12940</u>
<u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	7	<u>(23124)</u>	<u>(25991)</u>
<u>NET CURRENT ASSETS</u>			
		<u>(4779)</u>	<u>(13051)</u>
		15449	6630
Creditors: Amounts falling due after more than one year		<u>(693)</u>	<u>(2774)</u>
<u>NET ASSETS</u>		<u>14756</u>	<u>3856</u>
<u>CAPITAL AND RESERVES</u>			
Share Capital	9	100	100
Profit and Loss Account		<u>14656</u>	<u>3756</u>
Shareholders' Funds	10	<u>14756</u>	<u>3856</u>
All equity interests			

The notes form an integral part of these Financial Statements .

COMMERCIAL TIMBER SALES LIMITED

BALANCE SHEET (Continued)
AS AT 31ST MAY 1996


The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit.

The directors acknowledge their responsibilities for:

- (1) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- (2) preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The financial statements were approved by the board and signed on its behalf on the date shown below.

Signed on behalf of the Board of directors


Mr J A Kemplen
Director

Date...9.8.96.....

COMMERCIAL TIMBER SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1996

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>		
1. <u>TURNOVER</u>				
In the period, Nil% of the company's turnover was to markets outside the United Kingdom. (1995 Nil%)				
2. <u>ADMINISTRATION EXPENSES</u>				
Administration expenses include:				
Directors' Remuneration	3180	8780		
Aggregate emoluments including benefits amounted to	<u>£3180</u>	<u>£8780</u>		
Salaries and Wages	17123	15187		
Social Security costs	1857	1944		
Rentals on operating leases:				
Plant & Machinery	-	-		
Other	<u>-</u>	<u>-</u>		
Depreciation	<u>5972</u>	<u>5472</u>		
Loss on disposal of fixed assets	770	-		
The average number of employees including the directors was: Two. (1995 Two)				
3. <u>TAXATION</u>				
U.K. taxation based upon profit for the period.				
Corporation Tax at 25%/24%	<u>4426</u>	<u>1496</u>		
4. <u>TANGIBLE ASSETS</u>				
	<u>Leasehold</u> <u>Premises</u> <u>£</u>	<u>Equipment</u> <u>£</u>	<u>Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Cost</u>				
Opening balance	8761	19407	3870	32038
Disposals	-	-	(1960)	(1960)
Additions	<u>4185</u>	<u>3804</u>	<u>-</u>	<u>7989</u>
Closing balance	<u>12946</u>	<u>23211</u>	<u>1910</u>	<u>38067</u>
<u>Depreciation</u>				
Opening balance	2860	8016	1481	12357
Eliminated on disposal	-	-	(490)	(490)
Charge for period	<u>1942</u>	<u>3800</u>	<u>230</u>	<u>5972</u>
Closing balance	<u>4802</u>	<u>11816</u>	<u>1221</u>	<u>17839</u>
<u>WRITTEN DOWN VALUE</u>				
At 31st May 1996	<u>8144</u>	<u>11395</u>	<u>689</u>	<u>20228</u>
At 31st May 1995	<u>5901</u>	<u>11391</u>	<u>2389</u>	<u>19681</u>
Plant at a cost of £7800 is held under a hire purchase agreement. Depreciation charged was £1462 (1995 £1950).				
5. <u>STOCK</u>				
Goods for resale	17241			11410

COMMERCIAL TIMBER SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
6. <u>DEBTORS</u>		
<u>Due within one year</u>		
Trade Debtors	-	-
Prepayments	<u>220</u>	<u>365</u>
	<u>220</u>	<u>365</u>
7. <u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>		
Net obligations under		
hire purchase contracts	2080	2080
Trade Creditors	5493	3783
Directors' Loan	6118	12324
General Creditors	-	677
Accrued Expenses	1210	1196
VAT	2806	3093
PAYE & NHI	989	1340
Current Taxation	<u>4428</u>	<u>1498</u>
	<u>23124</u>	<u>25991</u>
8. <u>CREDITORS: AMOUNTS FALLING DUE AFTER</u> <u>MORE THAN ONE YEAR</u>		
Net obligations		
under hire purchase contracts	<u>693</u>	<u>2774</u>
Repayable within five years.		
9. <u>CALLED UP SHARE CAPITAL</u>		
Authorised		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Issued and fully paid		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
10. <u>MOVEMENT ON SHAREHOLDERS FUNDS</u>		
Opening balance	3856	496
Profit/(loss) for the period	<u>10900</u>	<u>3360</u>
Closing balance	<u>14756</u>	<u>3856</u>
11. <u>CONTINGENT LIABILITIES</u>		
There were no contingent liabilities at the 31st May 1996 or at the 31st May 1995.		
12. <u>CAPITAL COMMITMENTS</u>		
There were no Capital Commitments at the 31st May 1996 or at the 31st May 1995.		
13. <u>DIRECTORS TRANSACTIONS</u>		
Mr J A Kemplen, a director of the company, has loaned monies to the company. No specific terms have been agreed for payment of the principal sum or any interest.		

COMMERCIAL TIMBER SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1996

14. ACCOUNTING POLICIES
Basis of Accounting

These Financial Statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

Turnover

Turnover represents net sales of goods and services, excluding Value Added Tax, and is attributable to the one principal activity of the company.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Premises	- 10% Straight line basis
Equipment, plant and fixtures	- 25% reducing balance basis
Motor vehicles	- 25% reducing balance basis

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Deferred taxation is not provided in these financial statements as the directors consider that in the foreseeable future, no actual liability will arise.

Operating Leases

Rentals applicable to operating leases where substantially all the benefit and risks of ownership remain with the lessor are charged to the profit and loss as incurred.